United Nations E/CN.3/2011/25

Economic and Social Council

Distr.: General
2 December 2010

Original: English

Statistical Commission
Forty-second session
22-25 February 2011
Item 4 (e) of the provisional agenda*
Items for information: business registers

Report of the Wiesbaden Group on Business Registers

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its forty-first session (see E/2010/24, chap. I.A), the Secretary-General has the honour to transmit the report of the Wiesbaden Group on Business Registers, which is presented to the Commission for information. The Commission is requested to take note of the report.

* E/CN.3/2011/1.

10-66571 (E) 221210

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Report of the Wiesbaden Group on Business Registers

1. The 22nd meeting of the Wiesbaden Group on Business Registers was held from 27 to 30 September 2010 in Tallinn, hosted by Statistics Estonia. The meeting gathered 77 participants from 39 delegations and was organized in eight sessions. This report provides a brief summary of the themes discussed in each of the sessions.

2. Session 1, chaired by Ms. Svetlana Shutova, Statistics Estonia, was devoted to the presentation of country progress reports. It is a tradition for the Wiesbaden Group to open the meeting with a review of recent developments in the framework of business registers in each member country/organization. Thirty-two progress reports were presented during this session, while 42 reports had been submitted in 2010. As was the case in previous meetings of the Wiesbaden Group, this session provided an important opportunity for business register experts and managers across the world to exchange updated information on their ongoing and planned projects aimed at improving the construction, maintenance and use of business registers.

3. Session 2 on "Concepts and methods for information and data sharing" addressed the impact of economic globalization on the production, collection and interpretation of business data, and investigated the changes required in business registers and other administrative sources to appropriately gather, treat and share information in a globalized environment. The goal of this session, chaired by Mr. Andreas Lindner, Organization for Economic Cooperation and Development (OECD), was to discuss the strategic approaches of data producers to meet the new needs of users in response to the effects of globalization and resulting strategies to enhance competitiveness.

4. The session focused on the impact of globalization on the system of statistical units; in the case of multinational enterprises in particular, the defined statistical units are no longer fully applicable as a basis for data collection and data processing into comparable statistical figures. Other related topics discussed were the establishment of the EuroGroups Register, which aims to establish a network of registers among the statistical authorities of the Statistical Office of the European Communities (Eurostat) and Member States through the exchange of data on multinational enterprises; and the codification rules for the treatment of international sourcing within an enterprise group as a separate issue compared with international sourcing outside an enterprise group.

5. Session 3 on "Profiling (costs and benefits)" was chaired by Ms. Shirin Ahmed, US Census Bureau. Profiling is defined as a method for identifying the legal, operational and accounting structures of an enterprise group at the national and global level in order to establish the statistical units within that group and their links, and the most efficient structures for the collection of statistical data. This session further expanded the discussions on statistical units and their links within the enterprise groups by focusing on the practices, processes and challenges in profiling enterprises in business registers.

6. Participants discussed the sources and methods for profiling, as well as its uses and challenges. The session highlighted that international coordination and increased sharing of related enterprise information among statistical offices could reduce costs, enhance enterprise knowledge and address issues related to better understanding of multinational enterprises. Interesting insights came from concrete

examples of profiling both in countries with considerable experience of profiling methods and in countries that have implemented the method more recently, including through partnerships between statistical offices and large business and public administrations.

7. Session 4 addressed "Cooperation with administrative sources", which is considered an important and recurrent topic in the agenda of the Wiesbaden Group, and looks at the way in which statistical business registers are usually dependent on administrative data from sources such as the tax authority. The main objective of this session, chaired by Mr. Andrew Allen, Office for National Statistics, United Kingdom of Great Britain and Northern Ireland, was to look at how cooperation with administrative data suppliers can improve the coverage and quality of business registers.

8. A range of relevant issues were discussed in session 4, notably the use of new administrative sources, improvements to existing sources, joining different data sources, the use of new variables from existing sources, and the improvement in the frequency of data from administrative sources. The meeting acknowledged that in many countries the time is right for making more use of administrative data, especially to reduce the burden on businesses and costs of data collection. The debate also highlighted some key lessons. As business registers are dependent on administrative data but the quality of that data cannot be controlled by the register team, it is important to have multiple data sources to reduce the risk of register quality problems, and to develop detailed knowledge of the administrative data and maintain regular dialogue with suppliers. The direct involvement of statisticians in the development or improvement of administrative registers was also discussed.

9. Session 5 on "Register quality as a common task: cooperation of the register department and survey departments" was chaired by Mr. Roland Sturm, Federal Statistical Office, Germany. This session focused on the interactions of the "producers" and "consumers" of business register information, a theme often neglected. The core issue discussed in this session was the position of statistical business registers as an infrastructural, conceptual and methodological backbone for the production of business statistics in most countries. Participants discussed the mechanisms to harmonize the statistical register with the needs of its users and the organization of efficient maintenance of a statistical business register.

10. The discussions encompassed good and poor practices of interaction between the register and the subject-matter departments, and the advantages and shortcomings of different organizational structures of statistical offices and statistical systems regarding the maintenance of the business register. Participants emphasized that sharing the workload of register maintenance needs incentives for all the partners involved as well as a clear description of rules and roles of all partners.

11. Session 6 on "Improving a sector's coverage of the business register: agriculture, public sector and non-profit institutions" reviewed the activities conducted by statistical offices to analyse, process and use data sources for these sectors. Indeed, the administrative sources and commercial sources used to build business registers normally do not cover all economic sectors with the same quality, being mainly designed for publishing information about market-oriented businesses. This session investigated the distinctive features and specific issues that arise in the

use and treatment of such data sources in terms of statistical units, variables, classifications, methodology, and their integration with the rest of the register.

12. Very interesting country experiences were presented during session 6, which was chaired by Ms. Enrica Morganti, National Institute of Statistics (ISTAT), Italy. The presentations stressed, inter alia, that there are many and differentiated data sources for the agricultural sector, while the administrative sources for the non-profit sector are scarce.

13. Session 7 on "Technical developments of the registers (re-engineering)" provided an opportunity to discuss issues relevant to these topics, research results or related advancements. The choice of this theme, which had already been discussed in previous meetings of the Wiesbaden Group, was motivated by the fact that many agencies had mentioned issues concerning the technical developments and improvements of their business registers in their respective progress reports for 2009. The session was chaired by Mr. Jean Ritzen, Statistics Netherlands.

14. The debate stressed that technical issues and redesign of business registers occur nowadays in the broader context of efficiency and quality improvements, and adaptation to new regulations (for example, the introduction of the enterprise group unit in the business register) and revisions (for example, to the System of National Accounts). The session also identified other drivers, such as improvement in the use of administrative data and adjustment to reductions in the response burden.

15. Session 8 on "Business registers and business statistics in developing countries" was chaired by Mr. Jaime Herzog, National Department of Business Registration, Brazil. The session analysed initiatives carried out by developing countries, with or without external support, directed to improve efficiency in their business registration systems in a bid to reduce superfluous bureaucracy. Against the background of specific problems affecting the collection of business statistics in developing countries, the session focused attention on business registration information as an important tool to advance policymaking for the socio-economic development of a country. The host organization, Statistics Estonia, shared its experience in the field of statistical business registers, and explained the different steps taken over the years to develop and improve the register.

16. During session 8, the key issues and challenges of developing business registers in three important emerging Group of Twenty countries were presented, namely the cases of Brazil, China and Mexico. The presentation of an overview of the results of the 2010 Economic Commission for Europe (ECE) business register survey provided additional insights into the state of development of business registers across a range of countries and geographical areas. In view of the great diversity of business register designs, including their content and usability, ECE urged the Wiesbaden Group to initiate preparation of international guidelines on business registers. The suggestion was supported by Eurostat and some participants (Italy, the Netherlands).

Conclusion and future plans

17. The 22nd meeting of the Wiesbaden Group on Business Registers was adjourned on 30 September 2010 and the members of the Steering Group (US Census Bureau; Office for National Statistics, United Kingdom of Great Britain and Northern Ireland; National Institute of Statistics and Economic Studies

(INSEE), France; Federal Statistical Office, Germany; Statistics Estonia; Eurostat; ECE; and OECD) met afterwards to review organizational and substantive issues. The terms of reference of the Wiesbaden Group are included in the annex to the present report.

18. The next meeting of the Wiesbaden Group will take place in Washington, D.C., United States of America, in September 2012. It will be hosted and organized by the US Bureau of Labor Statistics and the US Census Bureau.

Annex

Terms of reference of the Wiesbaden Group on Business Registers

Background

1. As a result of the 20th meeting in Wiesbaden, the Round Table on Business Survey Frames was renamed the "Wiesbaden Group on Business Registers", abbreviated to "Wiesbaden Group". As such, it conforms to the convention for naming United Nations city groups. The name change also reflects the changing role of business registers, which are increasingly being seen as the backbone of business statistics and as sources of statistical data in their own right, as well as an increased emphasis for the Group in defining a medium-term work programme.

2. The frequency of Wiesbaden Group meetings has been every two years, since 2008.

3. After the 22nd meeting of the Wiesbaden Group, which was hosted by Statistics Estonia, the Steering Group met on 30 September 2010 (with delegates from the United States of America, Germany, the United Kingdom of Great Britain and Northern Ireland, France, OECD, Eurostat, ECE and Estonia) and discussed the future of the Wiesbaden Group under the following topics:

- Purpose and objectives
- Future workplan
- Road map and next meeting of the Wiesbaden Group.

Purpose and objectives of the Wiesbaden Group on Business Registers

4. The Wiesbaden Group on Business Registers is a United Nations city group. Its traditional purpose is to provide a forum for the exchange of views and experience and the conduct of joint experiments related to the development, maintenance and use of business registers to support survey sampling and other statistical activities related to the production of business statistics. The Wiesbaden Group is an informal body and participation is on a voluntary basis. Participants, however, are expected to contribute at an expert level to the programme of the meetings.

5. The conferences of the Wiesbaden Group are the platform where problems, developments, projects, ideas, concepts and aspects of the construction, maintenance and improvement of business registers are presented and discussed. By this, the Group brings together experts and responsible persons on business registers who could use the experiences of others to promote and bring forward their own ideas for the development of business registers. In particular, the Wiesbaden Group tackles forward-looking aspects and aims to identify new challenges concerning business registers.

6. The Wiesbaden Group recognizes the demand both for information on business register developments and for common guidelines and recommendations on

different issues associated with business registers. There is an array of existing and emerging issues that require expert input to develop and promulgate approaches.

7. Therefore, the Wiesbaden Group intends to produce a range of outputs for different kinds of users, including international bodies, senior managers in national statistical institutions and organizations, in the process of developing business registers. The most visible outputs of the Group, besides the conferences, are the written papers, which give an in-depth view of current business register developments. All Wiesbaden Group papers are available on the websites of the host organization and the Eurostat CIRCA website. The links to them are provided also on the ECE and OECD public websites. Additional value could be gained by circulating the summary reports produced by session conveners, the host organization and/or the Steering Group to specific international bodies.

8. Although its mandate does not emanate from a formal body, the Wiesbaden Group has expressed a desire to increase its emphasis on the provision of guidelines, recommendations and approaches for advancing issues related to business registers. The Wiesbaden Group anticipates, on the basis of its discussions and programme of work, making recommendations regarding the consideration and/or adoption of certain practices or global-level standards for business registers to the Statistical Commission.

9. The Wiesbaden Group recognizes that it has a dual role. On the one hand, many participants are expecting the exchange of experiences and ideas at an advanced level, while on the other hand the Wiesbaden Group is aware that it should be the global forum on business registers and therefore has to respect the needs and interests of countries still developing business registers. The challenge will be to find the right balance.

Workplan and major topics of the next conference(s)

10. The challenges for business registers resulting from globalization have already been highlighted in previous conferences. The next meeting will advance work on further aspects of globalization. The Steering Group has compiled a list of possible topics and issues on globalization for the next conference:

- Profiling multinational enterprise groups
- From the global to the national level: from gross domestic product to gross national income
- European/worldwide common identification number

11. At the last conference, it became obvious that cooperation with users and partners in the field of development of statistical business registers and dissemination of the results of the work are still very relevant for participants. As a result, the following topics were proposed:

- Partnership between statisticians and businesses
- Management relationships with administrative register holders
- Dissemination of the register's data

12. Improvement of data quality is the main task facing the holders of business registers. More than half of the countries that participated in the previous conference submitted reports on development and re-engineering projects for their registers. The Steering Group suggested the following topics for the next conference:

- Development and re-engineering of business registers
- Quality of business registers
- Expansion of business registers into the non-profit institution sector and measurement of services
- Use of metadata in business register processes.

13. The Steering Group advised to continue with the tradition of including a separate topic for developing countries in the conference agenda. It was suggested that the next host country should organize a seminar, at which developing as well as developed countries would have an opportunity to share their experiences in the field of business registers and register-based business statistics.

Composition and roles of the Steering Group

14. The Steering Group comprises both national statistical institutions and international organizations. Current members of the group are Eurostat, France, Germany, OECD, ECE, United Kingdom of Great Britain and Northern Ireland and United States of America (US Bureau of Labor Statistics and US Census Bureau).

15. The Steering Group is chaired by the current host organization. The tasks of the Group are:

- To assist the host of the next meeting on matters relating to the agenda and the contributions.
- To promote and most visibly disseminate the outputs of the Wiesbaden Group.
- To actively engage the Statistical Commission and other senior management forums to promote the work of the Wiesbaden Group and seek their inputs regarding future activities.
- To develop links with other relevant international bodies, for example the World Bank, to ensure support for attendance by developing countries.
- To ensure coordination with meetings on related topics, for example the Joint Meeting of ECE or others.

Schedule/road map

2011: Joint ECE/OECD/Eurostat seminar on business registers

2012: Meeting of the Wiesbaden Group on Business Registers